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Brion Energy welcomes regulatory decision on Dover Project

CALGARY, August 6, 2013 – Brion Energy has received notice from the Alberta Energy Regulator (AER) that the panel reviewing the Dover Commercial Project approved the Project, subject to the approval by the Lieutenant Governor in Council. The AER's approval will be sent to the Government of Alberta for its consideration. Brion is confident of its ability to abide by the conditions and recommendations of the AER's approval.

"We thank the regulatory officials for their careful work on this project review," said Brion President and Chief Executive Officer Zhiming Li. "This is a critical milestone for the Dover Commercial Project. We are pleased to receive this fair ruling from the new Alberta Energy Regulator, which was determined through a balanced consultation and hearing process. Assuming project sanction, we will continue to work closely with the AER as we develop this tremendous energy resource for the benefit of Albertans."

Brion is committed to ensuring the Dover Project delivers both economic and social benefit to the local communities and do so in an environmentally acceptable manner. The company will continue to work and consult directly with all interested Aboriginal Communities and other stakeholders in the region, including the Fort McKay First Nation, the closest neighbouring community to the Dover Project area, as development on the Project moves forward.

The in situ Dover Project has the potential to lead to the development and production of approximately 4.1 billion barrels of bitumen (management estimate). Within Alberta, the Dover Project is expected to generate over 30,000 person-years of employment during construction and over 9,000 positions during its operating life. At full production capacity, the Project is expected to create an estimated \$5.3 billion of economic activity per year, including over \$1.5 billion of annual tax and royalty revenues for local, provincial and federal authorities. Next steps and a detailed timeline for the project are now being developed.

About Brion Energy

Based in Calgary and operating in the bitumen-rich oil sands near Fort McMurray, Alberta, Brion Energy Corporation is a joint venture between Athabasca Oil Corp. and Phoenix Energy Holdings Limited. Brion plans to produce 400,000 barrels of oil per day from the MacKay River and Dover oil sands assets being operated by it by 2025. Brion Energy was formerly known as Dover Operating Corp.

Reader Advisory

This News Release contains forward-looking information that involves various risks, uncertainties and other factors. All information other than statements of historical fact is forward-looking information. The use of any of the words "anticipate," "plan," "continue," "estimate," "expect," "may," "will," "project," "should," "believe," "predict," "pursue" and "potential" and similar expressions are intended

to identify forward-looking information. The forward-looking information is not historical fact, but rather is based on Brion Energy Corporation's and its shareholders' (collectively "**Brion**") plans, objectives, goals, strategies, estimates, assumptions and projections about Brion's industry, business and future financial results. This information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. No assurance can be given that these expectations will prove to be correct and such forward-looking information included in this News Release should not be unduly relied upon. This information speaks only as of the date of this News Release. In particular, this News Release may contain forward-looking information pertaining to the following: the expected timing of full regulatory approval of the Dover project; Brion's capital expenditure programs; Brion's plans for, and results of, exploration and development activities; Brion's estimated future commitments, business plans, and sanctioning of projects; Brion's development of the Dover project; timing of facilities construction and timing of production; the use of in-situ recovery methods such as Steam Assisted Gravity Drainage (SAGD) for production of recoverable bitumen; long term production goals; timing of submission of regulatory applications; estimated timing of first steaming; Brion's internal sanction for development of the Dover project; estimated initial and full production of the Dover project; the expected total work force required for the construction and operation of the Dover project; the expected number of jobs to be created by the Dover project; and the expected economic and other benefits to be realized from the Dover project.

With respect to forward-looking information contained in this News Release, assumptions have been made regarding, among other things: Brion's ability to obtain qualified staff and equipment in a timely and cost-efficient manner; the regulatory framework governing royalties, taxes and environmental matters in the jurisdictions in which Brion conducts and will conduct its business; the applicability of technologies for the recovery and production of the reserves and resources within the Dover project; future capital expenditures to be made by Brion; future sources of funding for Brion's capital programs; geological and engineering estimates; and Brion's ability to obtain financing on acceptable terms.

Actual results could differ materially from those anticipated in this forward-looking information as a result of various risk factors, including, but not limited to: fluctuations in market prices for crude oil, natural gas and bitumen blend; general economic, market and business conditions; variations in foreign exchange and interest rates; factors affecting potential profitability; factors affecting funding, the priorities of Brion and of its current and future joint venture partners; general economic conditions; uncertainties inherent in estimating quantities of reserves and resources; uncertainties inherent in SAGD; failure to obtain necessary regulatory approvals; failure to meet development schedules and potential cost overruns; increases in operating costs making projects uneconomic; the effect of diluent and natural gas supply constraints and increases in the costs thereof; gas over bitumen issues affecting operational results; environmental risks and hazards and the cost of compliance with environmental regulations; failure to obtain or retain key personnel; the substantial capital requirements for the Dover project; the need to obtain regulatory approvals and maintain compliance with regulatory requirements; changes to royalty regimes; political risks; risks inherent in Brion's operations, including those related to exploration, development and production of oil sands reserves and resources, including the production of oil sands reserves and resources using SAGD; the potential for management estimates and assumptions to be inaccurate; reliance on third party infrastructure for project facilities; failure by counterparties to comply with contractual arrangements between Brion and such counterparties; the potential lack of available drilling equipment and limitations on access to the Dover project assets; Aboriginal claims; seasonality; hedging risks; insurance risks; claims made in respect of Brion's operations, properties or assets; competition for, among other things, capital, the acquisition of

reserves and resources, export pipeline capacity and skilled personnel; the failure of Brion or the holder of certain licenses or leases to meet specific requirements of such licenses or leases. The forward-looking statements included in this News Release are expressly qualified by this cautionary statement. Brion does not undertake any obligation to publicly update or revise any forward-looking statements except as required by applicable securities laws.

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